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C O N F I D E N T I A L SECTION 01 OF 02 WARSAW 001280

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TAGS: PREL PGOV PHUM MARR PTER PL SUBJECT: DEPUTY PRIME MINISTER WELCOMES OBAMA'S ELECTION

REF: WARSAW 1250

Classified By: Ambassador Victor Ashe. Reason: 1.4 (d)

SUMMARY: Deputy Prime Minister Grzegorz Schetyna told the Ambassador the November 4 elections in the U.S. recalled the excitement of Poland's own November 2007 general elections, and said Poles are counting on President-elect Obama to bring about a more open U.S. foreign policy. Schetyna assured the Ambassador that private property restitution legislation would be introduced in parliament within weeks (in contrast to the Sejm speaker's prediction of a 2009 introduction) and reviewed a government bill to transfer powers from the central government to local authorities. Schetyna asked about the fate of Missile Defense under the Obama administration, reflecting apparent GoP uncertainty -- media reports have suggested the USG may not be able to afford a financial system rescue package and expensive defense programs at the same time. Schetyna also gave the Ambassador a proposed text for a bilateral Agreement on Cooperation Combatting Terrorism and Organized Crime. END SUMMARY.

Call for a "More Open" U.S. Foreign Policy

12. (C) Deputy Prime Minister Grzegorz Schetyna told the Ambassador November 5 that he had stayed up late the night before watching U.S. election returns on television, and offered his assessment that the elections had hinged largely on internal issues, such as the financial crisis. Schetyna, who is also Minister of the Interior and Local Administration, said the elections were similar to the Novemer 2007 general elections in Poland, where two large political parties (his Civic Platform, PO and the Law and Justice Party, PiS) had squared off in a vote that had generated great excitement. Schetyna said Poles were counting on President-Elect Obama to base bilateral relations on "better emotions" and to pursue a "more open foreign policy" (no elaboration provided). He said he understood that the incoming administration faced great challenges. Ambassador noted that the Embassy has received a request from Prime Minister Tusk to place a congratulatory phone call to the President-Elect, and would work to arrange the call as soon as possible.

What will new President do on Missile Defense?

(C) Schetyna asked how the new presidential administration would deal with two fundamental issues for Poland: Missile Defense (MD) and the Visa Waiver program. The Ambassador noted that President-elect Obama expressed his support for MD in the presidential debates, and that the administration would almost certainly continue a program

supported by four previous Presidents. PolCouns added that the Democratic Congress had provided strong budgetary support, granting \$9 billion of the \$9.3 billion request for the Missile Defense Agency in the last fiscal year budget. The Ambassador said that as a resident of Chicago familiar with the large Polish-American community there, the President-elect would doubtless be sympathetic to including Poland in the Visa Waiver program; moreover, Poland is on the verge of qualifying under existing rules, since the visa denial rate has decreased significantly, and is nearing the 10% maximum allowed. Schetyna suggested that President-elect Obama's sympathetic consideration of Poland's inclusion in the program would likely coincide with Poland's fulfillment of the 10% requirement in the near future.

Private Property Restitution Bill -- on its way to the Sejm?

14. (C) When asked about draft Polish legislation on private property restitution, Schetyna acknowledged the high level of U.S. interest in a bill that would benefit American Jews of Polish origin. He said the bill would provide for compensation rather than restitution; and due to limited funding, payments would be made over the course of a dozen years and would amount to a dozen or so percent of the value of lost property. Schetyna predicted that the government's draft bill would be introduced to the Sejm in early December or late November. (COMMENT: As reported Reftel, the Speaker of the House predicted the bill would not be introduced until next year.) The Ambassador replied that nobody expected compensation at 100% of actual value, but it was important for the government to get the legislation passed.

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Decentralizing Government

15. (C) Schetyna briefed the Ambassador on the GoP's local government reform package, which he said would transfer powers from the central to local governments. He said the central government's representative, the governor (wojewod) in each province, would transfer powers to the chairman of the provincial council (marszalek), but would retain significant supervisory responsibilities and would continue to serve as liaison to Warsaw. The Minister said it was not enough to delegate authority; it had to be done in a way that forces local authorities to cooperate. Schetyna said one goal would be to promote cooperation between large and small municipalities, particularly in areas like road construction. The Ambassador applauded the aim of the decentralization initiative, noting that the Communist period had amply demonstrated the ineffeciency of central planning.

Anti-Terrorism Agreement Draft

- 16. (C) Schetyna gave the Ambassador a proposed text for a Polish-U.S. Agreement on Cooperation on Combatting Terrorism and Organized Crime. He said the GoP is prepared for bilateral discussions based on this text. (Comment: This may be an effort by the Interior Ministry to get a leg up in its rivalry with the Anti-Corruption Bureau, composed largely of holdovers from the previous Law and Justice Party (PiS) government, which are not authorized to enter into agreements promoting cooperation with U.S. law enforcement agents.)
- 17. (C) Biographical Note: The number two in the government and the main ruling party, the Civic Platform (PO), Schetyna is the "gray eminence" known as a quiet, tough leader who runs the Interior Minister smoothly and has control of PO party structures throughout Poland. Post believes recent media speculation about tensions or rivalries with Tusk are unfounded. The two are long-time friends and soccer-playing buddies, and they need each others' strengths: Tusk is the skilled communicator, Schetyna the behind-the-scenes

organizer. Moreover, it is widely believed that Schetyna will become prime minister when Tusk steps down to run for the presidency (presidential elections are in 2010).

18. (C) COMMENT: Schetyna's inquiry about the new administration's commitment to Missile Defense is consistent with somewhat equivocal recent statements by GoP leaders suggesting that the President-elect is likely to support MD. Foreign Minister Sikorski publicly described his telephone conversation with Senator Obama of a few weeks ago, in which the Senator reportedly said he would support MD provided it is not aimed against Russia and is proven to be effective. Polish media reports have also underlined the difficulty of the new administration maintaining high levels of expenditure to bolster the U.S. financial system as well as expensive defense programs like Missile Defense.

ASHE